

Department of Vehicle Services



FY 2010 LOBS Presentation

November 24, 2008

DVS Mission



To establish efficient and effective delivery of fleet services by providing customer agencies with safe, reliable, economical, and environmentally-sound transportation and related support services which are responsive to the needs of customer departments, and which conserve the value of the vehicle and equipment investment.

DVS History



- ◆ Prior to 1969, each county agency maintained their own fleet.
- ◆ The Equipment Management Transportation Agency (EMTA) was organized in 1969 as a cooperative effort between the county and schools.
- ◆ EMTA was one of the first joint county/schools consolidation initiatives.
- ◆ ***Schools was then, and is now, DVS' largest customer.***
- ◆ In July, 1997, EMTA took over maintenance of the Fairfax County Park Authority vehicles.
- ◆ In 1999 EMTA became the Department of Vehicle Services (DVS).
- ◆ **DVS is an Internal Service Fund** – all costs are charged back to customers. We provide support to county agencies that provide direct service to the residents of Fairfax County.

DVS LOBS



- Vehicle Maintenance and Management
- Fuel Operations
- Vehicle/Equipment Replacement Funds

Vehicle Maintenance and Management:

- ◆ 4 Vehicle Maintenance Facilities
 - Alban
 - Newington
 - Jermantown
 - West Ox
- ◆ Maintain 5,784 units
 - Support General Fund agencies, Non General Fund agencies, and the FCPS. Includes:
 - 1,624 school buses
 - 907 specialized vehicles
 - 955 vehicles larger than ½ Ton
 - 812 Police Package Vehicles
 - 614 non-motorized vehicles
 - 872 other vehicles

Fuel Operations:

◆ Manage County Fuel Program

- Purchase approximately 10 million gallons of fuel annually
- Maintain 49 county Fuel Sites
 - Police Stations
 - Fire Stations
 - Schools
 - DVS Maintenance Facilities
 - Public Works Facilities
- 39 sites have automated fueling system



Vehicle/Equipment Replacement Funds:

- ◆ Manage Replacement Fund
 - Vehicle (General Fund)
- ◆ Administer Replacement Funds
 - Ambulance (F&RD)
 - Large Apparatus (F&RD)
 - Specialty Vehicle (FCPD)
 - Helicopter (FCPD)
 - Boat (FCPD)
 - FASTRAN (DCRS)

Growth Since FY 2001



◆ Growth in Fleet Maintained:

- FY 2009: 5,784 units - FY 2001: 5,353 units
 - An increase of 431 (8.1%)
 - Public Safety Increased 341 (155 in FY02 and FY03 – after 9/11/01)
 - Schools Increased 184
 - Non General Fund Decreased 29
 - Non Public Safety General Fund Decreased 65

◆ Growth in Positions/Staff Year Equivalency (SYE):

- FY 2009: 261/261.0 - FY 2001: 252/252.0
 - An increase of 9/9.0 (3.6%)

Growth Since FY 2001



◆ Growth in Expenditures:

- Total growth = 101.3%
 - Fuel = 424.7 %

| | FY2001 | FY2009 | \$ Increase | % Increase | Average Annual % Increase |
|--------------|---------------------|---------------------|---------------------|-------------------|----------------------------------|
| Maintenance | \$24,251,827 | \$33,623,645 | \$9,371,818 | 38.6% | 4.8% |
| Fuel | \$7,920,785 | \$41,557,544 | \$33,636,759 | 424.7% | 53.1% |
| Replacement | \$11,708,734 | \$13,138,306 | \$1,429,572 | 12.2% | 1.5% |
| Total | \$43,881,346 | \$88,319,495 | \$44,438,149 | 101.3% | 12.7% |

Factors Impacting Growth

- ◆ Maintenance: 2001-2008 growth (4.8%/year)
 - Personnel Services
 - Salary expenditures increased an average of 4.0% annually
 - Operating Expenditures
 - Parts expenditures increased an average of 3.1% annually
 - Commercial Repair expenditures (repairs by outside vendors) increased an average of 6.6% annually
- ◆ Fuel: 2001-2008 growth (53.1%/year)
 - Average price increased from \$0.97/gallon to \$2.83/gallon, an increase of 191%, or 24% annually
 - Gallons increased 2.1 million
 - 1,200,000 - **Connector**
 - 450,000 - **Schools**
 - 450,000 – **Public Safety**



New Programs Since FY 2001



- ◆ Implemented M4 (Fleet Management System in FY2003)
 - Server Based System – allows easier access to data – ad hoc reporting
 - Bar coding for parts and labor
 - Increased Capability for Preventive Maintenance Scheduling

- ◆ Enhanced Environmental Stewardship
 - Environmental Awards (Virginia Environmental Excellence Program, and Businesses for the Bay)
 - Retrofit of Diesel Vehicles with Oxidation Catalysts
 - Purchase of Hybrids/Flex fuel vehicles

Hybrids



- ◆ Currently have:
 - 55 Toyota Prius (38.8 mpg)
 - Compared to all Compact/Mid Size Sedans (22.6 mpg)
 - 49 Ford Escape Hybrids (25.0 mpg)
 - Compared to all non-hybrid SUV's (15.3 mpg)
- ◆ Annual fuel savings: 200+ gallons per hybrid

New Controls Since FY 2001



- ◆ FUMC – Fleet Utilization Management Committee
 - Established in FY2005 through Procedural Memorandum 10-05
 - Review vehicle additions
 - Annual Low Mileage Review
 - Since FY2004, 178 vehicles from the county's fleet (excluding FCPS vehicles) have been rotated, reassigned, or sold as part of reviews
 - Current mileage requirement is 5,000 miles/year

- ◆ Fuel Use
 - Tightened Controls on use of Miscellaneous Codes
 - Eliminated unnecessary codes
 - Limited use to certain agencies and specific groups and individuals
 - Established unique driver identification PIN numbers where appropriate
 - Report monthly use to agencies

Agency Strategic Focus

- ◆ DVS' Strategic Focus is to ensure that we have the resources needed to support agencies that provide direct service to residents.
- ◆ DVS utilizes best management practices to provide best value services to our customers.
- ◆ DVS' Strategic Challenges include:
 - recruit/maintain quality workforce
 - ensure facility space is available for future growth
 - improve environmental stewardship
 - increase fuel efficiency
 - parts availability

LOBS Summary Table:

FY 2008 Adopted Budget Plan Data

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M
M
A
R
Y



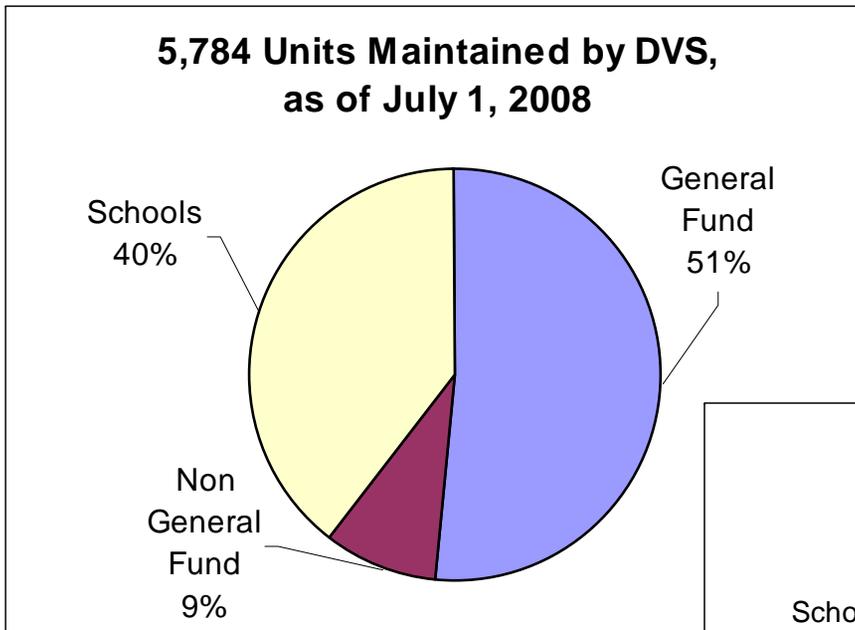
| Number | LOB Title | Net LOB Cost ¹ | LOB Number of Positions | LOB SYE |
|--------|-------------------------------------|---------------------------|-------------------------|---------|
| 503-01 | Vehicle Maintenance and Management | \$34,474,747 | 260 | 260.0 |
| 503-02 | Vehicle/Equipment Replacement Funds | \$13,566,625 | 0 | 0.0 |
| 503-03 | Fuel Operations | \$25,457,610 | 1 | 1.0 |
| TOTAL | | \$73,498,982 | 261 | 261.0 |

¹Note: This table includes the total cost for each LOB, and is not offset by “revenue.” As an Internal Service Fund, DVS’ “revenue” is not true revenue – instead, it is comprised of billings to customers.

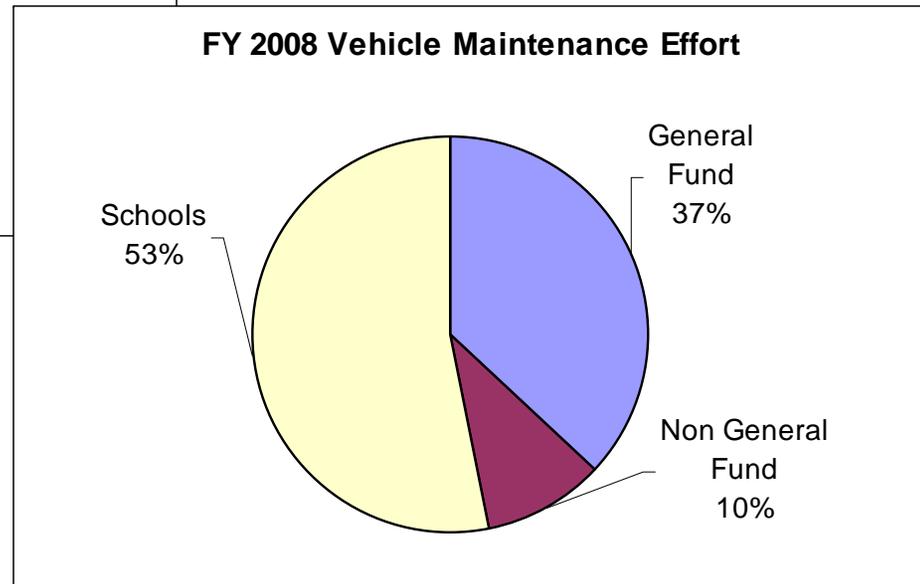
LOB 503-01: Vehicle Maintenance and Management

- ◆ **What We Do:** DVS provides centralized maintenance and repair services and performs required special tasks on vehicles and equipment efficiently and cost-effectively.
- ◆ **Who We Serve:** Our customers are county agencies (General fund and Non-General Fund) as well as Fairfax County Public Schools.
- ◆ **Why We Do It:** To ensure that these vehicles and equipment
 - are maintained in safe operational condition
 - comply with federal, state, and county policies, procedures and regulations
- ◆ **Benefits and Value of LOB:** Enables our customers to meet their missions. Conserves the value of the Fairfax County vehicle and equipment investment, and ensures the fleet is safe, reliable, economical, and environmentally-sound.

LOB 503-01: Vehicle Maintenance and Management

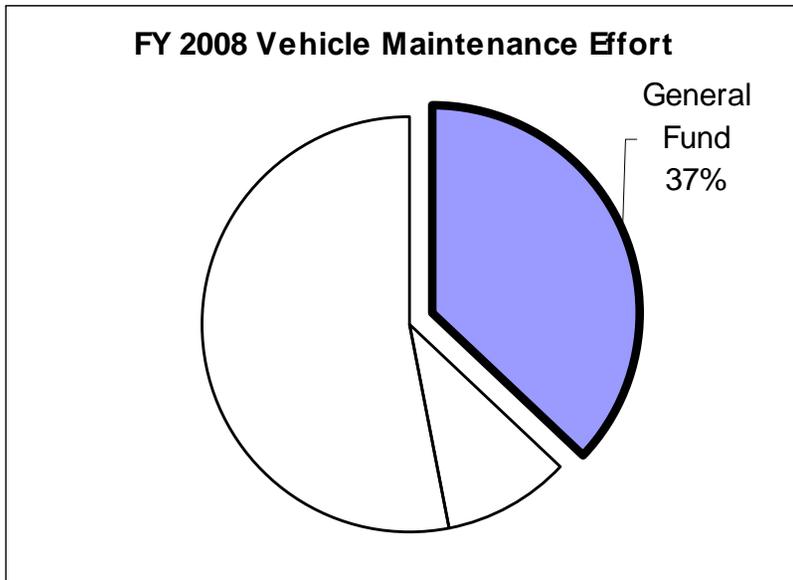


General Fund is 51% of the vehicle count but only 37% of the maintenance effort.



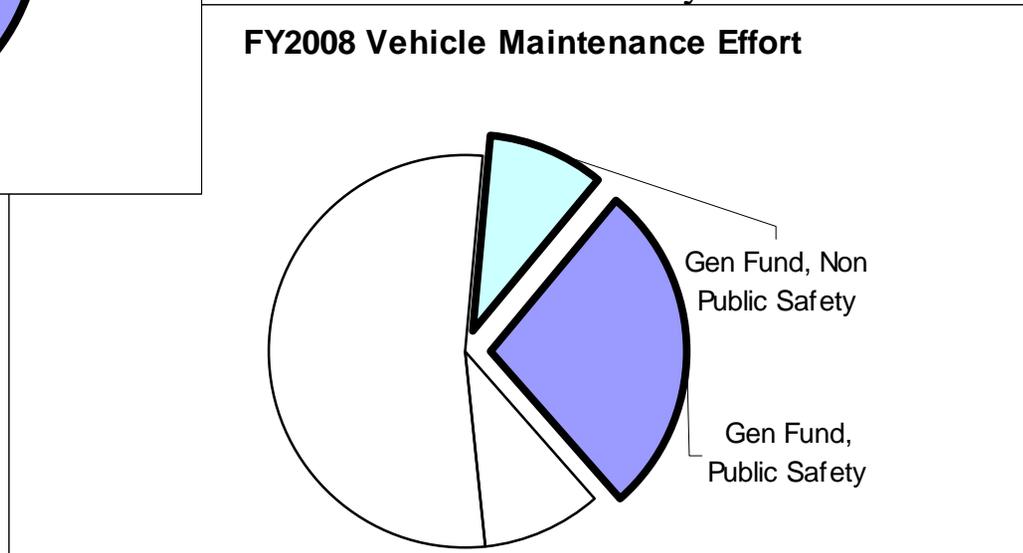
Vehicle Maintenance Effort is measured by using vehicle equivalents. For example, a school bus requires more maintenance than a sedan. A sedan is 1 equivalent, where a bus might be 5 equivalents.

LOB 503-01: Vehicle Maintenance and Management

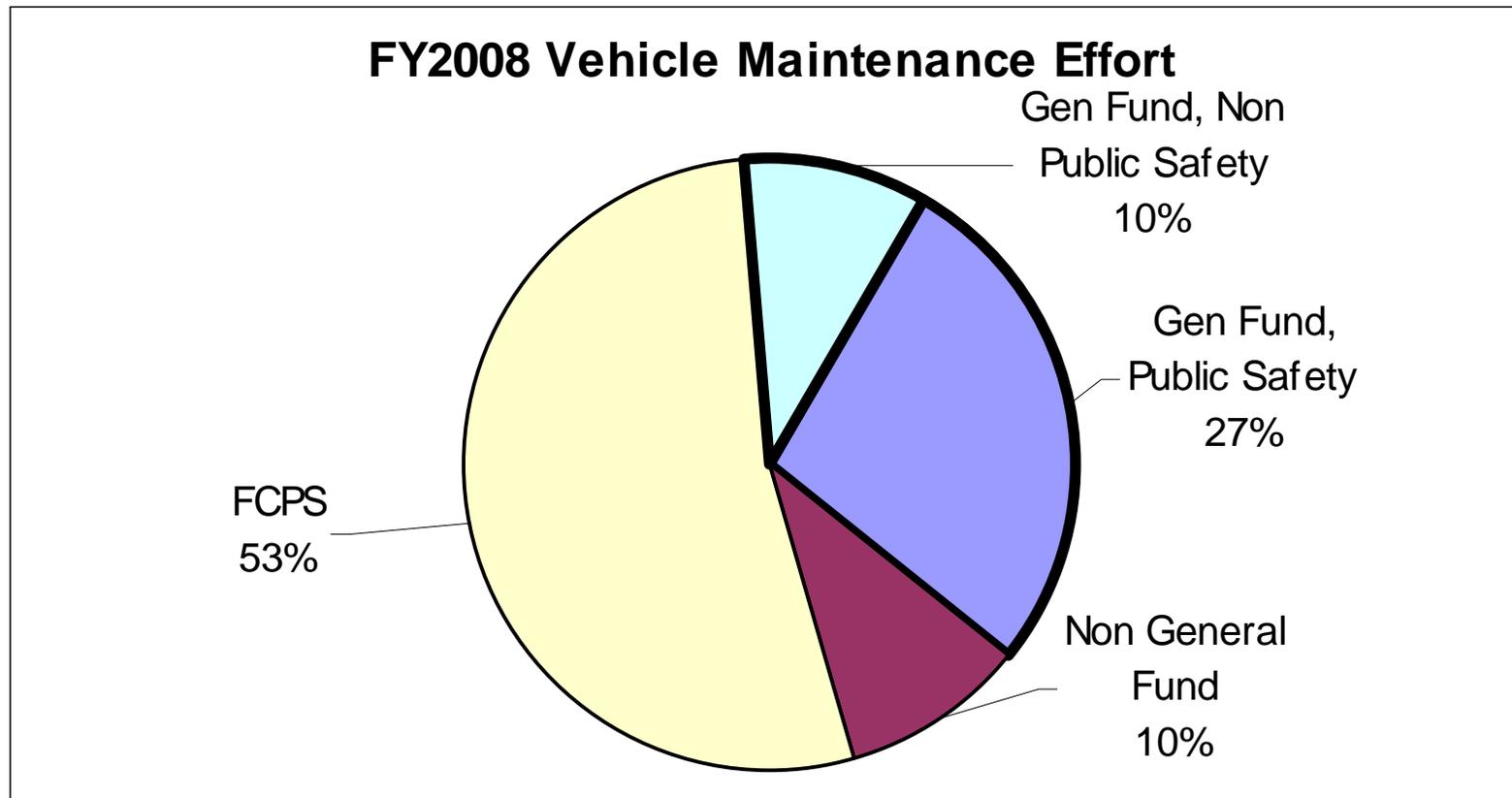


Public Safety includes:

- Police
- Fire & Rescue
- Sheriff
- Emergency Management
- Public Safety Communications



LOB 503-01: Vehicle Maintenance and Management



DVS maintenance effort is 53% FCPS, 10% Non General Fund Agencies, and 27% Public Safety. **Only 10% is for Non Public Safety General Fund Agencies.**

LOB 503-01: Vehicle Maintenance and Management

Customers:

| | # of Units | % of Total | # of Vehicle Equivalents | % of Total |
|---------------------------|--------------|------------|-----------------------------|------------|
| Schools | 2,295 | 40% | 8,981 | 53% |
| Non General Fund | 521 | 9% | 1,673 | 10% |
| Public Safety | 1,784 | 31% | 4,641 | 27% |
| Subtotal | 4,600 | 80% | 15,295 | 90% |
| Other General Fund | 1,184 | 20% | 1,631 | 10% |
| Total | 5,784 | 100% | 16,926 | 100% |

LOB 503-01: Vehicle Maintenance and Management

Non Public Safety, General Fund Customers:

| | # of Units | % of Total | # of Vehicle Equivalents | % of Total |
|---------------------------------------|------------|------------|-----------------------------|------------|
| Park Authority | 281 | 5% | 391 | 2% |
| Maintenance and Stormwater Management | 169 | 3% | 258 | 2% |
| Land Development Services | 147 | 3% | 178 | 1% |
| Department of Vehicle Services | 107 | 2% | 176 | 1% |
| Facilities Management Division | 91 | 2% | 121 | 1% |
| Family Services | 68 | 1% | 76 | 0% |
| Housing and Community Development | 52 | 1% | 67 | 0% |
| Mental Health Services | 34 | 1% | 43 | 0% |
| Health Department | 30 | 1% | 36 | 0% |
| 20 Additional Agencies | 205 | 4% | 285 | 2% |

LOB 503-02: Vehicle/Equipment Replacement Funds

- ◆ **What We Do:** Manage seven vehicle/equipment replacement funds.
- ◆ **Who We Serve:**
 - General Fund
 - Vehicle Replacement Reserve-includes 2,303 vehicles of which 60% Public Safety Vehicles.
 - Police
 - Helicopter – 2 helicopters
 - Specialty Vehicle – 10 vehicles
 - Boat – 1 boat
 - Fire & Rescue
 - Large Apparatus – 215 vehicles
 - Ambulance – 50 ambulances
 - Community & Recreation Services
 - FASTRAN – 115 vehicles
 - **NOTE: No school vehicles, including buses are in a replacement fund.**
- ◆ **Why We Do It:** To set aside funding over the life of a vehicle (or equipment) to replace that vehicle when it meets replacement criteria.
- ◆ **Benefits and Value of LOB:** Ensures the systematic replacement of vehicles which have completed their cost-effective life cycles.

LOB 503-02: Vehicle/Equipment Replacement Funds

◆ Major Customers in the Vehicle Replacement Reserve (VRR):

| Department | # of Units | % of Total |
|--|------------|------------|
| Fairfax County Police Department | 1124 | 49% |
| Fire and Rescue Department | 183 | 8% |
| Park Authority | 166 | 7% |
| Land Development Services | 146 | 6% |
| Facilities Management | 83 | 4% |
| Office of the Sheriff | 81 | 4% |
| Family Services | 70 | 3% |
| Maintenance and Storm Water Management | 63 | 3% |
| Housing and Community Development | 52 | 2% |
| Office of Transportation | 36 | 2% |
| Mental Health Services | 34 | 1% |
| 21 other General Fund agencies | 265 | 12% |

Note: This chart only includes vehicles in the Vehicle Replacement Fund (VRR) and does not include other funds (Ambulance, Helicopter, etc.)

Vehicle Replacement Fund One Year Deferral



- ◆ In FY2009, temporarily extended vehicle replacement criteria by 1 year
- ◆ Estimated One Time Savings
 - \$3 million in FY2009
 - \$2 million in FY2010

LOB 503-03: Fuel Operations

- ◆ **What We Do:** Provide vehicle fuel (gasoline and ultra low sulfur diesel) from 49 county fuel sites (FY2008 = 9.5 million gallons).
- ◆ **Who We Serve:** All county agencies, including FASTRAN, Connector buses, and the Fairfax County Public Schools.
- ◆ **Why We Do It:** To ensure fuel is available as needed by our customers. DVS provides vehicle fuel by ensuring adequate supply, arranging fuel deliveries, handling fuel site repairs, managing the automated fuel system, and replacing fuel tanks and equipment when necessary. We also ensure compliance with federal and state regulations regarding underground fuel tanks.
- ◆ **Benefits and Value of LOB:** Fuel is purchased via a Council of Governments (COG) Contract, which provides great buying power and therefore good prices. Fuel is provided to our customers at a cost significantly lower than commercial gas stations (excluding tax). Over the last 4 years, we have averaged \$0.12/gallon savings for unleaded fuel, and \$0.18/gallon savings for diesel fuel. This amounts to an annual savings of approximately \$1.5 million.

LOB 503-03: Fuel Operations

Major Customers:

| Department | FY2008 Gallons | % of Total |
|------------------------------------|-----------------------|-------------------|
| Fairfax County Public Schools | 3,526,926 | 37% |
| Transportation/Connector | 2,085,203 | 22% |
| Fairfax County Police Department | 1,390,417 | 15% |
| Solid Waste | 755,047 | 8% |
| Fire & Rescue Department | 574,840 | 6% |
| DCRS/FASTRAN | 322,941 | 3% |
| Other Non General Fund Departments | 134,698 | 1% |
| Other General Fund Departments | 703,721 | 7% |

6 Customers = 91% of the County's Fuel Use

DVS begins the LOB process Lean and Efficient

Board Auditors Review of our Services

Finding - "DVS operation is generally better than or competitive with the private sector"

FUMC/Annual Low Mileage Reviews - Reduced or reassigned 178 vehicles

Improved Fuel Controls - Increased accountability

Labor Rate Comparison - Commercial contract labor rates range from \$82-\$115/hour,
DVS current rate \$65.88

Vehicle Availability Rate - Averages 98% - (**APWA** generally accepted benchmark-95%)

Maintenance & Repair costs - DVS compares favorably with other jurisdictions (**ICMA**)

Preventive Maintenance compliance - Averages 94% on time (**APWA standard – 95%**)

Employee Productivity – Exceed **NAFA** benchmarks, and other jurisdictions actual (**ICMA**)

Inventory Metrics – Meet or exceed industry standards (**APWA and NAFA**)

Customer Satisfaction - **Customers rate service as "excellent"**

Agency Reduction Philosophy



DVS approaches the LOB reductions with these considerations:

1. DVS provides service to Non-General Fund agencies as well as General Fund agencies. It is difficult to direct cuts only to the General Fund.
2. DVS' mission is to ensure that our customers have the vehicles they need to meet their mission. Our customers provide service directly to the residents of the county.
3. We must ensure that vehicles are maintained in a safe and serviceable condition.
4. DVS cannot reduce staff size resulting in significant savings unless our customers reduce the size of their fleets.
5. If DVS cuts staff without a corresponding reduction in fleet size, our customers will be affected by decreased vehicle availability, which will directly impact their ability to perform their mission. **E. G., Public Safety's response time for emergencies could be affected, and school buses may not be available as needed to support current requirements for student transport.**
6. DVS has no control over state mandated maintenance and inspection requirements.

Vehicle Reduction Impact on staff



- ◆ If DVS customers reduce vehicles through program cuts, there would be a corresponding decrease in DVS staffing requirements.
- ◆ Each DVS mechanic maintains approximately 100 “vehicle equivalents” per year.

| Vehicle Type | Equivalents/Vehicle | # of vehicles maintained by 1 mechanic |
|----------------------|---------------------|--|
| Sedan | 1.0 | 100 |
| Police Cruiser | 2.2 | 46 |
| School Bus | 4.8 | 21 |
| Heavy Fire Apparatus | 10.7 | 9 |
| Transfer Tractor | 7.6 | 13 |
| 3/4 ton van | 1.1 | 90 |

- ◆ Therefore, if the county fleet is reduced by 100 sedans, or 21 school buses, DVS can eliminate one mechanic position without impacting service.

Agency Reductions



- ◆ We have identified \$392,144 (3.3% of the general fund maintenance budget) in potential reductions:
 - Cut employee training budget by 50%
 - Cut employee tool allowance by 50%
 - Eliminate Student Intern Program
 - Eliminate participation in DVS University, Fall for Fairfax, and Celebrate Fairfax
 - Through the reallocation of workload, we can eliminate 3 positions.

- ◆ The estimated general fund impact (@ 37%) would be \$145,093.

Conclusion

DVS can further reduce our workforce and costs only if our customers make significant reductions in the size and use of their fleets.